

ERIC W. RODGERS

OCTOBER 7 (legislative day, SEPTEMBER 15), 1943.—Ordered to be printed

Mr. ELLENDER, from the Committee on Claims, submitted the following

REPORT

[To accompany S. 1282]

The Committee on Claims, to whom was referred the bill (S. 1282) for the relief of Eric W. Rodgers, having considered the same, report favorably thereon with the recommendation that the bill do pass without amendment.

The purpose of the proposed legislation is to pay Eric W. Rodgers, of Scotland Neck, N. C., the sum of \$52.38, in full settlement of his claim for expenses incurred in transporting his family and household goods from his official station at Salisbury, N. C., to his official station at Raleigh, N. C., while employed as district manager of the Home Owners' Loan Corporation.

STATEMENT OF FACTS

According to the facts contained in a letter from the National Housing Agency, dated August 16, 1943, it appears that in 1935 Mr. Rodgers was an employee in the North Carolina State office of the Home Owners' Loan Corporation at Salisbury, with the title of special representative. Because of illness of the district manager of the Raleigh office Mr. Rodgers was temporarily placed in charge, and request was made by the North Carolina State manager that Mr. Rodgers be made district manager of the Raleigh office. The board of directors subsequently approved the transfer.

Mr. Rodgers asked for a Government bill of lading covering shipment of his furniture. This request was denied. The Department is opposed to the present bill because under regulations of the Corporation, as of June 8, 1934, it was provided that the specific authorization of the general manager and the approval of the board of directors were necessary before claim for expenses for transfer of dependents and household effects would be paid. Mr. Rodgers did not secure this specific authority or approval. The Department is of the opinion

that as claimant received per diem in the amount of \$62.50 he should bear the expense of moving his family and household effects, which amounted to \$52.38.

After giving careful study to all the facts of this case, your committee believe this is a just claim and recommend that the bill do pass.

Appended hereto is a report from the National Housing Agency.

NATIONAL HOUSING AGENCY,
Washington, D. C., August 16, 1943.

HON. ALLEN J. ELLENDER,
Chairman, Committee on Claims, United States Senate.

MY DEAR MR. CHAIRMAN: In response to your letter of June 29, 1943, addressed to Mr. John H. Fahey, Commissioner of the Federal Home Loan Bank Administration, I submit herewith my opinion as to the merits of S. 1282, a bill for the relief of Eric W. Rodgers, formerly employed by the Home Owners' Loan Corporation. Also in response to your request, there are attached hereto copies of all papers in the Corporation's files which are believed to be relevant to the matter.

FACTS

In 1935 Mr. Rodgers was an employee in the North Carolina State office of the Corporation at Salisbury, with the title of special representative. Because of illness of the district manager of the Raleigh district office Mr. Rodgers was temporarily placed in charge of the latter office, and request was made by the North Carolina State manager that Mr. Rodgers be made district manager of the Raleigh office. On May 9, 1935, the Corporation's board of directors approved the transfer, which was to be without change in salary.

On May 20, 1935, Mr. Rodgers requested of Mr. J. L. Everett, the Corporation's State accountant, a Government bill of lading covering shipment of his furniture from Salisbury to Raleigh. In the same memorandum, after stating that he had enjoyed working in the State office, he said: "However, I am not averse to the transfer, for the reason that I believe there will probably be more permanency in the district manager's position than in that of special representative."

At that time a resolution of the board of directors of June 8, 1934, provided as follows:

"Be it resolved by the board of directors of the Home Owners' Loan Corporation, That employees of the Corporation, when transferred by the Corporation from one official station to another for permanent duty, shall be allowed expenses incurred in packing, crating, dravage, and transportation of household effects and other property, not exceeding in any one case 5,000 pounds, and the transportation and actual subsistence expenses of wife and dependent minor children between the duty stations. Such travel shall be specifically authorized by the general manager, and approved by the board and shall be in conformity with the provisions of the Standardized Government Travel Regulations."

The request for a Government bill of lading was submitted by the State accountant to the Atlanta regional manager, who on May 29, 1935, referred it to Mr. W. F. Penniman, then an assistant general manager in the Washington office.

Mr. Penniman, under date of June 1, 1935, advised that the regional manager was correct in assuming that the Corporation would not pay moving expenses for Mr. Rodgers' furniture. Mr. Penniman stated:

"If my recollection serves me correctly, Mr. Rodgers has been on duty in the Raleigh district office off and on ever since the office was established. His assignment, however, was always irregular and uncertain. Now that he has been promoted to the position of district manager at an increase in salary and the uncertainty of his assignment, subject of course to the faithful and satisfactory performance of his duties, has been removed, he must make his own arrangements about transferring his furniture."

On June 8, 1935, Mr. Rodgers requested the State accountant to take the matter up again. On June 12, 1935, the State accountant advised Mr. Rodgers that the State manager (Mr. T. C. Abernethy) had just returned from Atlanta, and while

there had been informed by the regional manager (Mr. Hugh B. Fleece) that nothing further could be done in the matter. The State accountant added:

"Inasmuch as your transfer to the Raleigh district office was made effective June 1, 1935, instead of May 16, 1935, Mr. Abernethy feels that the additional per diem should take care of the cost of moving your furniture."

The Corporation's records show that Mr. Rodgers received \$92.50 in per diem, at the rate of \$5 per day, for time spent at Raleigh after May 9, 1935 (the date his transfer was approved by the board of directors), and prior to June 1, 1935, of which \$62.50 was for time so spent after May 16, 1935, and prior to June 1, 1935.

Nothing further was heard of Mr. Rodger's claim until August 26, 1936, when he filed an expense account charging mileage in the amount of \$4.88 for conveyance of his wife and children by automobile and \$47.50 for packing and transportation of his household furniture. The regional manager transmitted the claim to Mr. Tom H. Semple, assistant general manager, Washington office, on September 12, 1936, stating that he did not wish to deprive the claimant of reimbursement if it was justly due him.

In the Washington office, the claim was referred to the Adjustment Department. The acting manager of that Department, on September 25, 1936, advised the regional manager that reimbursement could be allowed under the resolution of June 8, 1934, only where there was prior written authority of the general manager and approval of the board of directors, which were lacking in the present case. Recommendation for payment was accordingly denied.

On September 30, 1936, Mr. Rodgers, who was then district service supervisor in the State office, renewed his request for reimbursement. On February 20, 1937, the State accountant again transmitted the claim to the Adjustment Department, with a summary by Mr. Rodgers dated January 8, 1937, expressing the latter's views as to the matter.

The file was then submitted to Mr. Penniman. In his memorandum of March 4, 1937, Mr. Penniman said that he found it "difficult at this time to recall" the exact reasons why the request was disapproved. He stated, however, among other things, that it was generally understood that where transfers were beneficial to the employees their claims would not be considered. After pointing out that as special representative Mr. Rodgers received per diem for the time he was away from his headquarters in Salisbury, Mr. Penniman stated further that the position held by Mr. Rodgers as special representative was uncertain as to permanency of employment. "When he was approved as district manager of the Raleigh office," Mr. Penniman continued, "it removed this uncertainty of his employment, provided, of course, his services were satisfactory, and the permanency of his new appointment was, in my opinion, decidedly beneficial to Mr. Rodgers." He added, however, that his statement in the letter of June 1, 1935, that Mr. Rodgers was promoted at an increase in salary was incorrect, and that he was therefore willing to withdraw the disapproval given in his letter of June 1, 1935.

Thereafter, on April 14, 1937, the resolution of the board of directors of June 8, 1934, was repealed. On May 3, 1937, Mr. Alfred S. R. Wilson, then deputy general manager, in a memorandum to Mr. F. W. Williams, the acting manager of the Adjustment Department, stated that "in view of the board's recent action in repealing the resolution of June 8, 1935, and amendments thereto" the request for reimbursement was disapproved. However, despite Mr. Wilson's disapproval, a proposed resolution which would authorize the payment of the claim was submitted to the board of directors on May 12, 1937. The board declined to adopt the proposed resolution, and Mr. Rodgers (who in the meantime had voluntarily resigned from the Corporation) was so informed under date of May 15, 1937.

On January 20, 1941, Mr. Rodgers, by a letter to a member of the board, requested that his claim be again presented. On April 2, 1941, a proposed resolution to authorize payment of the claim was submitted to the Corporation's board of directors, four members of the board being present. Two members voted for and two against the adoption of the resolution, and, the board thus being evenly divided, the action taken by the board on May 12, 1937, declining to adopt a similar resolution, remained in effect.

CONCLUSION

Mr. Rodgers' claim was given full and repeated consideration both by the Corporation's administrative officials and by its board of directors. Although one of the reasons which was assigned for rejection of the claim, namely, that an increase in salary was involved, was incorrect, the other reason assigned by Mr. Penniman in his memorandum of June 1, 1935, namely, that the uncertainty of Mr. Rodgers' assignment was removed, has never been questioned. In fact Mr. Rodgers himself, in his memorandum of May 20, 1935, stated that he believed there would probably be more permanency in the new position than in the old. Further, Mr. Rodgers received \$92.50 in per diem for time spent at Raleigh after May 9, 1935, the date when the transfer was approved by the board of directors, and prior to June 1, 1935, the date when he entered the new position.

It appears that, on the basis of these facts, Mr. Rodgers cannot properly claim to have a right to reimbursement by the Home Owners' Loan Corporation for the expense incurred by him. If the Congress should wish to give him such reimbursement as a matter of grace, that is a matter of policy for the Congress itself.

I am authorized to state that the Bureau of the Budget has no objection to the submission of this report.

Sincerely yours,

JOHN B. BLANDFORD, JR.,
Administrator.

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